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ing cost values as simply a special case within the great law of marginal utility. The attempt is ingenious ; and whether it be regarded as satisfactory or not by those who have been inclined to attribute greatest influence to the action of the cost principle, even they will concede it to be a great merit of Wieser's work that he has at least acknowledged and faced an issue that the other members of the Austrian school have almost wilfully avoided.

A. C. MILLER.

Labor and the Popular Welfare. By W. H. MALLOCK. London : Adam and Charles Black, 1893. 8vo. xi+336.

IN *Labor and the Popular Welfare* Mr. Mallock deals with the general problem of distribution. It is assumed at the start that it is right for the poor to "look for an increase of income by direct legislative means." (p. 15.) The more radical measures which have been proposed for securing through legislation an increase of income are considered. Taking up the socialist cry for a distribution of the national product in equal *per capita* portions Mr. Mallock finds that of this product only a portion is susceptible of division at all, and of that portion much would cease to be wealth under a socialistic tenure of property. Further, such a redistribution of wealth would not release any one from the necessity of laboring. "The industrial discipline of the State," says Mr. Mallock, "would necessarily be much harder than that of the private employer." (p. 22.) It is not a certain class of men but nature that forces man to work. The independence of the working man is "not given up to the capitalist but to capital," and were capital owned by the State slavery would still exist. It is shown that exaggerated notions are held by some social reformers of the amount of national income paid in rents, and that the increment to individual income from state confiscation of land would be slight.

Book ii. treats of the chief factor in production which is conceived to be ability. Preparatory to determining the productive power of ability Mr. Mallock attacks Mill's assertion that the part which nature plays in different industries is indefinite, and "that it is impossible to decide that in any one thing nature does more than in any other." "Practical logic" leads to the conclusion that "the general way in which income is distributed is based on the amount produced by these three things respectively, Land, Capital, and Human Exertion"

(p. 95), and that the portion produced by each can be clearly determined.

The product of land is rent. "Labor," says Mr. Mallock, "must be held to produce so much as is absolutely necessary for its own support" (p. 95), while that portion of the product produced by certain qualities of superior soils over and above what the workman requires for maintenance is rent. This implies that what is absolutely necessary for the support of labor is some definite portion of the product. The issue taken with the classical economists seems to be that while the classical economists consider all agricultural products to be products of labor exerted upon lands of varying fertility, and the determination of rent to be fixed by the margin of cultivation and the law of diminishing returns, Mr. Mallock regards that portion of product which falls to labor under the law of rent as in some peculiar sense the product of labor, and at the same time identical with the quantity absolutely necessary for the support of labor, while he would maintain that the soil "just as truly produces the produce that goes in rent." (p. 93.)

This form of reasoning is applied to capital. The case is taken of a man drawing water from a well with a rope and pail. "We do not say," continues Mr. Mallock, "that the man raised so much water, and the rope and pail so much. We say the man raised the whole. But the moment we have to deal with appliances of an improved kind, by which the result is increased, whilst the labor remains the same, the case of the appliances becomes analogous to that of superior soils." (p. 111.) One naturally asks upon what principle the product of labor is separated from that of the device. In this case Mr. Mallock holds that the device raises all the water raised in excess of what would have been raised by the same amount of labor using a rope and pail. The rope and pail is selected because that is the device which ordinary intelligence would suggest as the means of getting water out of a well. It may be observed, however, that ordinary intelligence suggests other means than the rope and pail. Doubtless the application of windmills to pumps has increased the power of human beings to raise water out of wells by a certain definite amount; but so did the introduction of the pail, the rope, the pole and weight, and the crank. To be consistent we must say either that man lifts all the water, but is constantly finding that he can lift a given amount with less labor; or that he lifts none of the water, and that the entire amount is raised by a certain interplay of physical forces to overcome the force of gravity. In a sense the leaf which a man twists

into a cup by the side of a natural spring lifts all the water as truly as the more complicated windmill; in a sense, too, the man lifts all the water lifted, whatever the means employed.

"Wage Capital," according to Mr. Mallock, "is merely the means by which intellect impresses itself as Labor" (p. 129), and machinery may be called "congealed Wage Capital." "And, therefore, all Capital equally with Wage Capital represents the control of Intellect over Labor—or one kind of Human Exertion over another." (p. 135.) Accordingly the portion of product which goes to capital is determined upon those principles which determine the portion of ability.

Ability is one form of Human Exertion and the chief factor in production. Practical logic here concludes, from a survey of the incomes of Great Britain, that about sixty men out of a thousand possess ability. Exceptional incomes not derived from land or capital are the product of ability. Living men of ability comprising about one-sixteenth of the population produce two-thirds of the produce of industry. Such men "are practically monopolists not only of their own special powers but of the complicated discoveries of their predecessors." (p. 199.) Labor, however, according to Mr. Mallock is constantly appropriating a portion of the product of ability, and today receives more *per capita* than it would have received in 1850 had the entire product of industry been paid out in wages. Thus the wildest dreams of the social reformer of that day have been more than realized in the ordinary course of events.

Were not Mr. Mallock's book intended rather as a popular essay than as a scientific treatise on economics, his observations upon the productivity of ability would be irrelevant. In an ultimate analysis every act is guided by ability and may be said to be ability's product. Such a view is not, however, economic; the ethical claim of ability is not to be coördinated with the laws of rent, of interest, and of wages. Economically speaking the adopter of an invention is as great a producer as the inventor. The economic justification of the large incomes earned by men of ability lies in their power to increase the aggregate product of industry; the possession of ability in itself constitutes no valid economic claim. Economics does not consider the qualities back of the productiveness of the agent.

As a statement of the ethical claims of men of ability upon the products of industry Mr. Mallock's work is instructive. As a critic of Mill's proposition that where two factors, such as land and labor, capi-

tal and labor, or ability and labor, are "equally necessary for producing any effect at all, it is unmeaning to say that so much of it is produced by one and so much by the other": Mr. Mallock seems himself open to the criticism that he takes what Mill intended as merely a philosophical observation to be a denial of concrete laws of distribution in society.

JOHN CUMMINGS.

Der Parlamentarismus, die Volksgesetzgebung und die Socialdemokratie. By KARL KAUTSKY. Stuttgart: J. H. Dietz, 1893. 8vo. pp. viii + 139.

THE traditional attitude of socialists, both in Germany and elsewhere, has generally been hostile to "parliamentarism." The name of the "Social-Democrats" of Germany is significant of their leaning toward the primitive democratic organization of society, which has no use for a parliament. Socialists have made much of the direct participation of the people in legislation, almost universally to the extent of urging the Referendum, Initiative, and Imperative Mandate, and very generally advocating a close circumscription of the powers of the representative body. At the same time they have held in theory that the members should be delegates only, and not representatives in the full sense. Extremists have held that representative legislatures have no place in the republic of the future, and have even discountenanced participation in elections of members of parliamentary bodies.

Mr. Kautsky takes exception to this view. He expresses the view of what is probably a strong section and apparently a growing section of European socialism, that a parliamentary legislative body, and the parliamentary method, is not simply a necessary evil under existing circumstances, but is the best means known for embodying the popular will in law and enforcing the execution of the law. It is urged that direct legislation by the people belongs to the same primitive stage of culture with direct administration of justice by the people, and that both of these become impossible as the community increases in numbers and complexity. In a large and highly developed republic it would take all the time of all the citizens to enact the necessary laws and watch over their execution. The most that can be left to direct popular action is what is comprised in the Referendum and the Initiative, and the purpose of these two institutions is not to abolish the parliamentary body, but only to render it more immediately dependent on popular influence and control.